

RECORDATION NO.

23981-X FILED

JAN 12 2004

3-05 PM

SURFACE TRANSPORTATION BOARD

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OF COUNSEL  
URBAN A. LESTER

January 12, 2004

Mr. Vernon A. Williams  
Secretary  
Surface Transportation Board  
Washington, D.C. 20423

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) copies of a Release from Surface Transportation Board Filed Encumbrance, dated as of January 8, 2004, a secondary document as defined in the Board's Rules for the Recordation of Documents.

The enclosed document relates to the U.S. Guarantee and Security Agreement previously filed with the Commission under Recordation Number 23981.

The names and addresses of the parties to the enclosed document are:

Secured Party: The Bank of Nova Scotia  
600 Peachtree Street  
Suite 2700  
Atlanta, GA 30308

[Debtors: RailAmerica, Inc.  
Palm Beach Rail Holdings, Inc.  
RailAmerica Transportation Corp.  
Arizona & California Railroad Company  
California Northern Railroad Company  
Puget Sound & Pacific Railroad  
5300 Broken Sound Boulevard, N.W.  
2<sup>nd</sup> Floor  
Boca Raton, FL 33487]

Mr. Vernon A. Williams  
January 12, 2004  
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A description of the railroad equipment covered by the enclosed document  
is:

Locomotive SJVR 2036

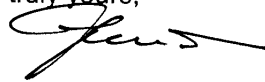
A short summary of the document to appear in the index follows:

Release from Surface Transportation Board Filed Encumbrance

Also enclosed is a check in the amount of \$30.00 payable to the order of  
the Surface Transportation Board covering the required recordation fee.

Kindly return stamped copies of the enclosed document to the undersigned.

Very truly yours,



Robert W. Alvord

RWA/anr  
Enclosures

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Release from Surface Transportation Board Filed Encumbrance

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SURFACE TRANSPORTATION BOARD

Release herein is made to the Credit Agreement (as amended, supplemented, amended and restated or otherwise modified from time to time, the "Credit Agreement"), dated as of May 23, 2002, made by RailAmerica Transportation Corp., a Delaware corporation (the "Company"), RailAmerica, Inc., Palm Beach Rail Holding, Inc., RailAmerica Canada Corp., RaiLink, Ltd., Freight Victoria Limited, RailAmerica Australia Finance Pty. Ltd., and RailAmerica Australia Pty. Ltd., the various financial institutions as are or may become parties thereto (collectively, the "Lenders"), UBS Warburg LLC and Morgan Stanley Senior Funding, Inc., as Joint Lead Arrangers and Bookrunners, Morgan Stanley Senior Funding, Inc. as Syndication Agent for the Lenders, UBS AG, Stamford Branch as the Administrative Agent for the Lenders, The Bank of Nova Scotia, as Collateral Agent (in such capacity, the "Collateral Agent") for the Lenders, and The Bank of Nova Scotia and Credit Lyonnais, as the Documentation Agents for the Lenders. Unless otherwise defined herein, capitalized terms used herein and in the Schedule hereto have the meanings provided in the Credit Agreement.

The Collateral Agent hereby releases the assignment, pledge, hypothecation, charge, mortgage, delivery, and transfer of the one EMD GP20 locomotive: SJVR ~~2037~~, that was recorded with the Surface Transportation Board under Recordation Number 23981. 2036 *of*

Dated as of January 8<sup>th</sup>, 2004.

THE BANK OF NOVA SCOTIA,  
As Collateral Agent

By: *W E Zarrett*  
Title: William E. Zarrett  
Managing Director

State of Georgia )  
County of Gwinnett, ) ss.

On this 8<sup>th</sup> day of January 2004, before me James R. Wilson the undersigned Notary Public, personally appeared William E. Zarrett personally known to me to be the person who executed the within instrument as Managing Director on behalf of the corporation therein named, and acknowledged to me that the corporation executed it.

My Commission expires 8/22/07

*James R. Wilson*  
Notary Public for Georgia